



RFP No. 1204-10-LLTDI
GROUP LIFE, DEPENDENT LIFE, AND LONG TERM DISABILITY INSURANCE

December 15, 2009

ADDENDUM #2

TO: All Prospective Offerors
REFERENCE: **RFP No. 1204-10-LLTDI**

I QUESTIONS FROM EMAILS

- Q1. Why is coverage out to bid? Are there service and/or contract deficiencies that the City is hoping to alleviate through this marketing?
- A1. The last solicitation was released in 2000. The City is searching the market place for current offerings and pricing efficiencies.
- Q2. Can you please provide the census data in Excel format with the following information included:
- a. Enrolled volumes for the Additional, Spouse and Dependent Life coverages
- b. Please include the dates of birth and genders on the Retiree census .
- A2. (a) The amounts of optional employee, spouse, and dependent coverage are shown on the bills. We d not have the information in excel format
(b) For Retiree information you should request Exhibit IV – Retiree Census.
- Q3. Are there any disabled employees who are covered under the plan with payment of premium? If so, please provide a census for these employees.
- A3. No disabled employees are covered under the plan with payment of premium
- Q4. Will the City be utilizing the services of a insurance consultant or broker to evaluate the submitted proposals? If so, please provide the name and contact information for the producer. As noted in the RFP, all proposals will be submitted without producer compensation or commission.
- A4. No – The City will not be using a broker to evaluate the proposals.
- Q5.Does the City offer Accidental Death & Dismemberment (AD&D) coverage? If so, please provide a copy of the inforce plan document and the current rate.
- A5. No – AD&D is not offered
- Q6.Please provide a copy of the Additional, Spouse and Dependent Life plan document.
- A6. The optional is covered in the Life booklet. Attachment 1A. This information is also covered in Addendum #1 Section I “Clarification”.
- Q7.Please provide a copy of the following in Word Format:
- Attachment 2A
Attachment 2B
Attachment 2C
Attachment 4
Attachment 5
Page 1 of the RFP - signature page
- A7. See attached word files.

Q8. Please provide a list of any plan changes made to these coverages in the past 5 years.

A8. The original maximum coverage limit was \$350,000 for the group life and same for the optional life. That maximum was increased to \$500,000 for both policies. Upon implementation, employee could cover spouse and children w/o covering themselves. This no longer applies.

Q9. Regarding the SWaM provision

- Does the City have a listing of approved vendors?
- Is utilization a requirement for the vendor awarded the contract?
- If required, what is the stated % of goal?
- Please confirm that this is based on available retention and not contract amount. Retention is the portion of the paid premium not set aside to pay expected claims.
- Does Assurant currently outsource any of the administration to a SWaM vendor. If so, please provide contact info for the vendor.

A9. Regarding the SWaM Provision

- The City does not have a list of approved SWaM vendors.
- SWaM Utilization is not a requirement for award.
- The City encourages the use of SWaM vendors but does not have a formal program, or requirements.
- There was no SWaM Requirement in the current contract.

Q10. Should the School employees be included in the LTD Proposal II and III options?

A10. No.

Q11. Do the Schools they currently have coverage elsewhere? If so, are any details of their inforce coverage available?

A11. Yes, the schools have coverage elsewhere. LTD coverage for the schools and related information is not covered under this RFP.

Q12. Would the City be interested in a proposal to buy out the current liability for the Retiree population?

A12. You may submit such a proposal at your discretion for the City's consideration

Q13. Please provide renewal pricing for all lines of coverage from Assurant.

A13. The City has not received renewal pricing from Assurant.

Q14. I did not see the plan design for the voluntary life insurance.

A14. The Voluntary life insurance is explained in the Booklet (Attachment 1A) and in Addendum #1, Section I "Clarification"

Q15. Are brokers permitted to quote and/or broker the business for RFP 1204-10-LLTD

A15. Yes

Q16. Do all City and Training Academy Employees have LTD coverage or just the Full-Time City and Training Academy employees?

A16. All City and Training Academy Employees who are "permanent" status have LTD. To qualify for permanent status and therefore eligible for any benefits, the employee works a min. of 20 hrs a wk. The only exception is for the school crossing guards working 15 hrs a week and have the group life insurance.

Q17. Is the Retiree life coverage paid by the employer?

A17. Yes

Q18. For current open LTD claims, does the City expect the employees to return to work? If so, what is the prognosis and diagnosis of their conditions. Is there is much of a chance the employees currently disabled will return to work and then relapse with further need for disability coverage?

A18. Due to HIPPA concerns, the City will not speculate on return to work and/or potential relapse issues or provide prognosis and diagnosis information for employees currently on LTD. However, the City will address such issues with the applicable firm(s) during contract negotiations under the appropriate disclosure/privacy procedures should such information be required for final negotiation/pricing purposes. Firms may make notes and/or define their assumptions when submitting pricing or any proposal response.

Q19. Are the part time employees eligible for voluntary life Insurance?

A19. Yes. It is available for anyone in permanent status.

Q20. What are the eligibility requirements to receive retiree life coverage? Is there a minimum age requirement and minimum number of service years that they would need to complete?

A20. If the employee leaves the City upon retirement, he/she is eligible to continue the Group Life Insurance paid by the City but the policy is reduced to \$5,000. If the employee leaves the City and has to defer his/her retirement because he/she is not eligible to retire, then there is no group life insurance.

Normal retirement age is 62 for government and school employees; or the rule of 80 (age plus yrs of svc = 80); early retirement is age 52 w/10 years of service.

Sworn police officers: If hired before 12/8/1986, normal retirement is age 62 or 25 yrs of service; If hired after 12/8/1986, normal retirement is age 55 or completion of 25 yrs and be age 50; Early retirement is 20 yrs of service

Q21. Is the dependent spouse coverage standalone...meaning the spouse can purchase coverage without the employee purchasing supplemental coverage?

A21. No under current plan.

All other terms and conditions remain the same. This Addendum is acknowledged and considered a part of the request for proposal:

Name of Firm

Signature

Date

ONE SIGNED COPY OF ADDENDUM MUST BE RETURNED WITH PROPOSAL